

**MINUTES OF THE MEETING OF THE  
UNIFORM COMMERCIAL CODE COMMITTEE  
OF THE STATE BAR OF CALIFORNIA**

February 4, 2003  
9:30 a.m. to 11:05 a.m.

The February 4, 2003 meeting of the Uniform Commercial Code Committee (the "Committee") was called to order at approximately 9:30 a.m. with Pauline Stevens presiding.

**A. Administrative Matters.**

1. Appointment of Secretary. Mark Spitzer was appointed as the secretary for the meeting.
2. Approval of January 3, 2003 Meeting Minutes. The minutes of the January 3, 2003 meeting were approved in the form disseminated prior to the meeting.
3. Future Meeting Dates/Locations. The Committee reconfirmed and established the following future meeting dates:

**March 11, 2003 (Tuesday):** Either (a) in Sacramento at approximately 10:30 a.m. with Kathleen Vasquez (Manager of the UCC Division of the Office of the California Secretary of State) et al. or (b) by videoconference at 9:30 a.m. at the offices of Morrison & Foerster. Final meeting place/time to be determined based on Kathleen Vasquez' availability.

**April 4, 2003 (Friday):** (Los Angeles/Century City) (Business Law Section Spring Meeting) – time to be determined but likely mid-afternoon.

**May 14, 2003 (Wednesday):** Videoconference, 9:30 a.m.

**June 10, 2003 (Monday):** Videoconference, 9:30 a.m.

The location for all videoconference meetings will be at the offices of Morrison & Foerster in Los Angeles, Palo Alto, San Diego and San Francisco.

**B. Membership.**

1. New Applications. The Committee discussed briefly the application of a potential new Committee member and agreed to defer to the next meeting a more comprehensive discussion.
2. Additional Candidates. Pauline Stevens requested Committee members to propose new candidates given recent resignations and scheduled term expirations of several Committee members.

**C. State Bar Programs.**

1. Business Law Section – Spring Meeting. Marty Fleisher reported that the panel (Fleisher, Munoz and Martinson) had developed a strong outline for the program and continued to meet in preparation for the program. Mr. Fleisher noted that the program (1½ hours) is scheduled for 10:15 a.m., Saturday, April 5, 2003.

2. State Bar Annual Meeting (September 2003). Ms. Stevens advised the Committee that a topic from the Committee was required to be submitted to the State Bar by close of business today (February 4, 2003). After discussion of several possible topics, the consensus of the Committee was to propose a reprise of the legal opinions presentation (see item C.1 above).

**D. Revised Articles/Divisions 3 and 4 Project.**

Pauline Stevens reported that Peter Szurley sent the draft of the Committee report to the Executive Committee as well as to the Consumer Transactions and Financial Institutions Committees. Ms. Stevens further advised that she has spoken briefly with the Financial Institutions Committee regarding the draft report.

**E. Revised Article 1 Project.**

The Committee discussed briefly Harry Sigman's memorandum regarding proposed Section 1-301. Mr. Rosenberg expressed some concern about certain provisions of Section 1-301. Rather than continuing an all-Committee discussion, members of the Committee agreed to continue the discussion separately. Mr. Sigman requested that any further comments to his memorandum be provided by the end of the week (February 7, 2003).

**F. Website Review and Development Project.**

Vasco Morais reported that he expected to have last minute changes to the State Bar webmaster within the next week or so. Pauline Stevens suggested that the subcommittee consider potential "systems" for updating and revising the website once it is up and running. Jerry Grossman reported that Michael Mullin has been very involved in transferring "calbar.org" material to "ca.gov" websites and that this transfer process is ongoing. It was generally agreed that the Committee would post Committee minutes (with membership discussions redacted) for rolling twelve-month periods.

**G. Legal Opinion Task Force.**

Mr. Fleisher reported that the draft report was nearly complete (e.g., Robert Spjut had circulated latest draft February 3, 2003, subcommittee members currently checking footnotes, etc.) Committee members discussed proposal that the subcommittee report be distributed to various law firms for review and comment by such firms' opinion committees. Mr. Fleisher noted that the draft report would be provided to Steve Weise for review in connection with the

pending "tri-bar report" as well. Mr. Fleisher expects that draft report will be provided to Committee members prior to next (March) meeting.

## **H. Secretary of State Automation Project.**

Vasco Morais reported that he was continuing his work on the open letter to Kathleen Vasquez and that Ms. Vasquez knows about the Committee's concerns regarding fees for debtor searches and other online information.

At this point, Kathleen Vasquez, W. Singh, Pam Giurazzi and a vendor representative joined the meeting (via teleconference) and provided an update regarding progress on the automation project. Ms. Vasquez reported that the UCC Division continues to work with the vendor on a number of filing, indexing and "order" issues. Her expectation is to implement the project by the end of the year (December 31, 2003). She reported that the customization effort was more time-consuming than originally anticipated, but that the "nuts and bolts" of the system could be completed by the end of March 2003. A follow-up meeting among the subcommittee, selected paralegals and the UCC Division was suggested (and tentatively planned) for late February (February 28, 2003), with a full Committee meeting at the UCC Division tentatively scheduled for March 11, 2003. (Date left open).

Several Committee members posed questions to Ms. Vasquez (and her colleagues) regarding, among other things, (i) ability to do a full index name search "at no cost," (answer – the system will include a "wildcard" feature that will, she hopes satisfy this concern; "cost" determination will be made by the new Secretary of State/administration), (ii) ability to print out draft UCC financing statements prior to actual filing (answer – on the "to do" list), (iii) payment issues (e.g., could a firm with multiple offices establish an account, with "real-time" balances shown online) (answer – Ms. Vasquez expects that prepaid accounts of this type will be available. Online "order form" will include a field to input searches (e.g. law firm's) internal reference code).

After teleconference with Kathleen Vasquez, Mr. Morais requested assistance in obtaining additional paralegals to attend the late February session with the UCC Division. Mr. Sigman agreed to provide a set of "wildcard" illustrations in advance of such meeting. Mr. Morais noted that the goals of the late February meeting would be:

- To provide paralegal input to the UCC Division
- To provide subcommittee and paralegal comments/reactions to various "screens" to be shown by the vendor/UCC Division at such meeting
- After assimilating the foregoing, to provide a "close to final product" for the full Committee's consideration on March 11, 2003

\* \* \* \* \*

The meeting was adjourned at 11:05 a.m.